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RECENT DEVELOPMENTS IN NORTH VIETNAM

10 JUNE 1968

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
11 June 1968

INTELLIGENCE MEMORANDUM

Recent Developments in North VietnamSummary

Repair, construction, and logistic activity continues at a high level throughout North Vietnam. South of the 20th Parallel the rail line south of Vinh is being heavily used, and repair activities are taking place along highway route 1A.

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We have no information on the state of construction activities at Bai Thuong Airfield.

Activity north of the 20th Parallel is also at a high level. The Paul Doumer bridge could be serviceable for rail traffic between the middle and end of June. Repairs to industrial facilities continue but with little change in their operational status. Runway expansion is under way at Hoa Loc and Kep Airfields.

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Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and the Office of Current Intelligence, and was coordinated with the Director's Special Assistant for Vietnamese Affairs.

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The annual round of trade and aid negotiations has started some four months earlier than normal. Economic and military aid agreements for 1969 have been signed with Hungary and Bulgaria and an economic aid agreement with Poland. The signing with Hungary of a supplementary aid agreement for 1968 may portend a desire to move more supplies into the country while the bombing is restricted.

South of the 20th Parallel

Logistic Activity

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[REDACTED] 43 rail flatcars on the main line immediately south of the Vinh Rail Yard Northwest. The number of railroad cars at this location is one of the largest observed since 31 March, an indication that the rail line south from Thanh Hoa is continuing to play a major role in moving supplies southward.

2. Repairs to LOC facilities continue. Construction activity noted on Route 1A appears to be part of a general effort to repair the numerous highway bridges and bypass facilities located on the major routes within the sanctuary north of the 19th Parallel.

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[Redacted]

[Redacted]

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There is no additional information on the status of the Bai Thuong Airfield. We still judge the sod runway to be serviceable and the main runway parallel to it to be unserviceable.

North of the 20th Parallel

Industry

6. North Vietnam continues to repair industrial facilities, but it is still too soon to tell whether there is a general policy to completely restore heavily damaged plants. Construction of a blast wall to protect the Nam Dinh Powerplant is now in progress, indicating anticipation of a possible resumption of the bombing. Hanoi and Nam Dinh are the only powerplants where main buildings have been protected by this means.

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[Redacted] little change in the operational status of industrial facilities from the first part of the month. The Haiphong Cement Plant was still shut down [Redacted] providing further evidence that partial operation of the plant [Redacted]

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[Redacted] was a test run. [Redacted] only one kiln could have been in operation during the test run and that repair of the second kiln is not yet complete. At the Viet Tri industrial complex -- the powerplant, the sugar refinery and alcohol plant, a log-stripping shop of the paper plant, and a probable caustic soda plant -- were shown to be in operation. There were no signs of repair to any part of the Thai Nguyen Iron and Steel Complex. The status of the electric power network was not significantly changed. The main Hanoi-Haiphong network is still estimated to be operating at about 45 percent of pre-strike capacity.

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Logistics

8. Repair of the Paul Doumer Bridge continues and could be completed by the middle or end of June. Some rail bypass construction continues along the northern rail lines. More than 100 motor vehicles were noted entering North Vietnam from the P'ing-hsiang area of China [redacted]. The drawing down of truck stocks held at P'ing-hsiang probably is in response to heavy losses recently suffered in southern North Vietnam and Laos. A similar large southbound convoy was detected in the same area in early January.

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9. The continuing high volume of seaborne imports into Haiphong is being moved through the port on a timely basis. [redacted]

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[redacted] a 75 percent turnover in rolling stock in the main rail yard. The total amount of supplies and equipment in open storage increased only slightly between 21 April and 3 June. Storage of foodstuffs in the immediate wharf area, however, increased by 50 percent between 21 May and 3 June. The average layover time for foreign ships fell from 19 days in April to 14 days in May and will probably decline again in June. Dredging of the channel between the harbor and the Gulf has been noted since mid-April.

Airfield Construction

10. [redacted] the continued expansion of major airfields. A 6,000-foot taxiway at Hoa Loc Airfield apparently is being converted to a secondary runway. The other two runways at Hoa Loc appear to be serviceable. Only two craters remain to be filled on the runway at Bac Mai Airfield, and the field is serviceable. Resumption of construction of a nearly 1,500-foot extension of the 6,000-foot runway at Kep [redacted]

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Foreign Trade and Aid

11. North Vietnam recently sent a delegation abroad, headed by Le Thanh Nghi, to obtain foreign trade and aid commitments. This round of negotiations is taking place about four months earlier than in previous years. A barter trade and payments

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agreement for 1969 was signed with Hungary [redacted]. [redacted] An aid agreement also was signed which provides for supplementary economic and military aid during 1968 as well as economic and military aid for 1969. This agreement also provides for training North Vietnamese specialists in Hungary.

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[redacted] same North Vietnamese delegation signed an economic and military aid agreement with Bulgaria for 1969. [redacted] economic aid and trade and payments agreements for 1969 were signed with Poland. The delegation apparently plans to visit other Eastern European countries and the USSR. An economic delegation from Communist China is scheduled to visit Hanoi probably in the near future.

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12. North Vietnam's early start on trade negotiations and the signing of a supplementary aid agreement for 1968 with Hungary may indicate a desire to increase imports while the bombing campaign is restricted to the Panhandle. A steady increase in the number of economic specialists being trained abroad and expressions of interest in Free World economic commitments indicate that North Vietnam is proceeding with plans for postwar reconstruction despite a recent statement by the assistant editor of the North Vietnam News Agency that "no one was concerned with reconstruction at this time." Representatives from a French import/export company dealing in foodstuffs, agricultural machinery, and electrical equipment are scheduled to visit Hanoi soon.

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Leadership

14. The North Vietnamese National Assembly met on 25 May for the first time in two years, such an assemblage apparently being too risky before the current bombing restrictions. The session was attended by virtually all top party and government officials and included speeches by Ho Chi Minh and Pham Van Dong. The leadership stressed the order, stability, and continued economic progress enjoyed by North Vietnam despite the war. There were hints of plans for postwar reconstruction and development using some of the techniques developed to cope with the bombing. Despite the claim of economic progress, the population was called on to make further sacrifices in order to achieve what the leadership termed "final victory."

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